



Fredericksburg TIMELESS.

SPOTSYLVANIA STAFFORD FREDERICKSBURG



ANNUAL REPORT
2004



If the Fredericksburg regional tourism marketing program could summarize 2004 in one word, that word would most likely be change.



The start of the year brought a new face in David Holder, Director of Tourism and Business Development for the City of Fredericksburg. Tim Baroody joined the Stafford County Department of Economic Development as Director. And the end of the year saw Bonnie Smith, Director of Tourism for Spotsylvania, announce her retirement. Her expertise and commitment will truly be missed by her tourism partners.

This concept of change extended beyond the individuals involved with orchestrating this regional marketing program. In fact, change provided the key ingredient to a rejuvenated approach to the marketing. This level of change used research as the foundation for strengthening the regional program. Longwoods International, the world's leading authority in measuring destination image, awareness, and return on investment, provided a detailed analysis of our position in the destination marketplace while compiling a thorough examination of our potential markets. This information is being used to establish a comprehensive brand for the entire destination area and all of our established products found within this dynamic region.

Along the way, the marketing programs provided efficient delivery of results to the Fredericksburg area. This Annual Report provides the details of those programs and the results they delivered. For the numerous individuals, businesses, governments and organizations that play a role in establishing the direction and programming of Fredericksburg Area Tourism, we are incredibly grateful for your continued support. We look forward to higher expectations and providing even more significant results for you in the future.

Ernie Pennington
Deputy County Administrator
SPOTSYLVANIA COUNTY

Megan Orient
Tourism Manager
STAFFORD COUNTY

David Holder
Director of Tourism &
Business Development
CITY OF FREDERICKSBURG

Read the results of the Longwoods International study showing the ROI for Fredericksburg Area Tourism:
http://www.fredericksburgva.gov/tourism/November_Public_Presentations_LB.pdf

FREDERICKSBURG AREA TOURISM MISSION

THE MISSION OF
FREDERICKSBURG AREA TOURISM
IS TO INCREASE TRAVEL-RELATED
TAXABLE SALES IN EACH OF THE
THREE PARTICIPATING LOCALITIES.

FREDERICKSBURG AREA TOURISM: A TEAM EFFORT

The regional cooperation has operated since 1994 as an informal relationship. In 2004, initial steps were taken to solidify this regional partnership through a formal memorandum of understanding. This document, when signed by each of the three jurisdictions, will craft the vision and expectations of the regional tourism program.

Direct Tax Revenue

*Generated by every dollar invested
in tourism marketing*

<i>City of Fredericksburg</i>	<i>\$1.41</i>
<i>Spotsylvania County</i>	<i>\$1.35</i>
<i>Stafford County</i>	<i>\$1.18</i>
<i>The Region</i>	<i>\$1.32</i>

FREDERICKSBURG, SPOTSYLVANIA AND STAFFORD

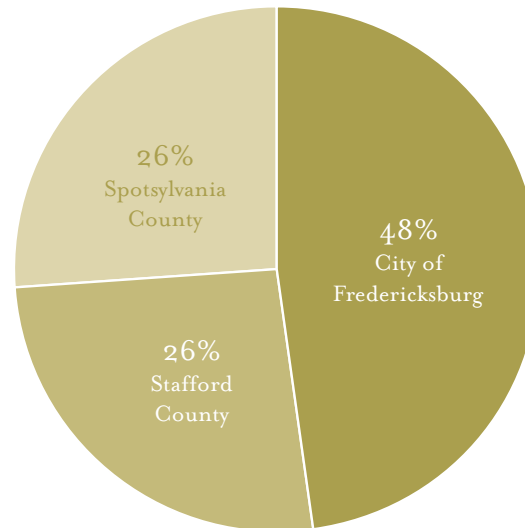
WORK TOGETHER TO MINIMIZE COSTS WHILE MAXIMIZING IMPACT

Fredericksburg Area Tourism operates as

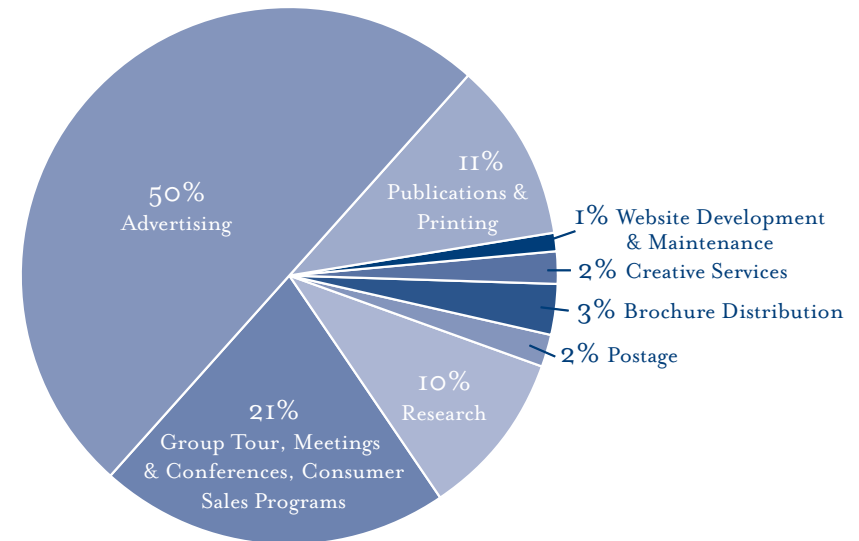


an informal partnership of the City of Fredericksburg Department of Tourism and Business Development, the Spotsylvania County Department of Tourism and the Stafford County Department of Economic Development. In 2004, each jurisdiction provided:

CONTRIBUTIONS TO
REGIONAL TOURISM PROGRAM*
[\$719,800 TOTAL]



EXPENDITURES



* In addition to these funds, each locality also contributes the inkind support of the locality's staff. During 2004, those inkind contributions totaled \$90,000 for the City of Fredericksburg, \$18,000 for the Spotsylvania County, and \$15,000 for the County of Stafford.

By operating as a partnership,



the three localities are able to achieve significant economies of scale. For example, rather than have a Group Sales director in each locality, one person provides the service to all three. The three localities have allocated tasks for maximum effectiveness.

POSITION	REGIONAL RESPONSIBILITY
FREDERICKSBURG DIRECTOR OF TOURISM	Overall strategy & leadership
FREDERICKSBURG TOURISM DEVELOPMENT MANAGER	Regional advertising program management Media relations with travel journalists
FREDERICKSBURG TOURISM SALES MANAGER	Regional Group Tour Sales Regional Conference Sales
FREDERICKSBURG VISITOR CENTER MANAGER	Attend consumer shows AAA Office Sales initiatives
SPOTSYLVANIA DIRECTOR OF TOURISM	Input on all programs & direction Budget administration, bookkeeping Respond to all Internet & e-mail requests
SPOTSYLVANIA VISITOR CENTER MANAGER & TRAVEL COUNSELORS	Advertising inquiry fulfillment
STAFFORD ECONOMIC DEVELOPMENT ASSISTANT DIRECTOR	Input on all programs & direction
STAFFORD TOURISM MANAGER	Attend consumer shows Manager regional golf co-op

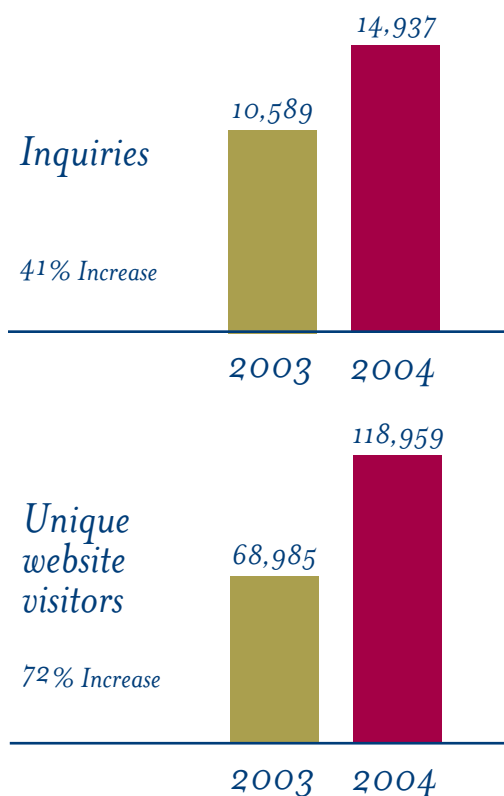
MARKETING & ADVERTISING CAMPAIGNS

ATTRACT NEW VISITORS

The 2004 Marketing and Advertising campaign,



primarily based on TV advertising in metro Washington, D.C., generated significant increases in interest in The Fredericksburg Area.



The regional golf cooperative program,



orchestrated by Fredericksburg Area Tourism in cooperation with multiple hotel and golf course partners and with Go Golf Travel, generated significant growth in 2004.

For more information on Fredericksburg Area golf packages, visit www.GolfFred.com.

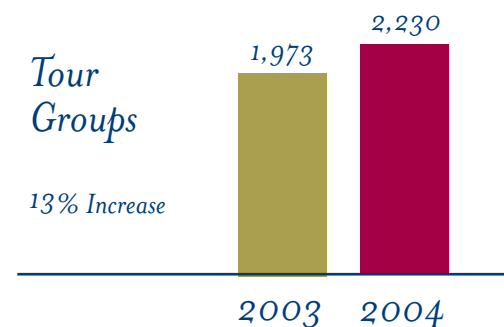


Group Tours bring thousands of visitors



to The Fredericksburg Area. But this doesn't happen in a vacuum. To ensure success in this market, Fredericksburg Area Tourism maintains constant contact with tour operators and attends numerous group tour trade shows.

In 2004, group tour leads were distributed to 40 hotels, 103 restaurants, 3 guide services and 12 historic sites.



Consumers interested in travel often consult the travel media



(specialized magazines, daily newspaper travel sections, etc.) and Fredericksburg Area Tourism maintains an active public relations effort to keep

Fredericksburg in the news. In 2004, Fredericksburg Area Tourism hosted visits by more than 20 travel writers, photographers, broadcasters and book editors. Resultant articles covered subjects as diverse as George Washington, Carl's Frozen Custard and shopping in Old Town.



Fredericksburg Area Tourism's public relations efforts have led to coverage in publications such as WASHINGTONIAN; SOUTHERN LIVING; TRAVEL & LEISURE; THE WASHINGTON POST; and many others.

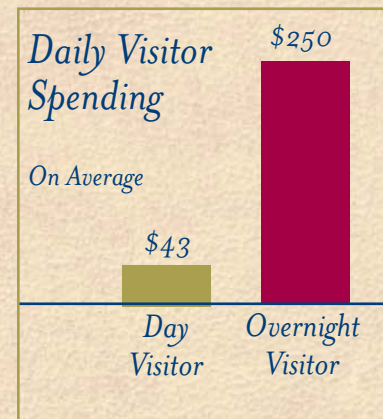
INVESTMENT IN TOURISM PAYS DIVIDENDS

FOR FREDERICKSBURG, SPOTSYLVANIA AND STAFFORD

Tourism Add Millions to Local Economies

Figures shown represent millions of dollars.

YEAR	LOCALITY	TOTAL TAXABLE SALES	RESTAURANT TAXABLE SALES	HOTEL TAXABLE SALES
2004	STAFFORD	\$802	\$102	\$16
	FREDERICKSBURG	\$1,048	\$137	\$16
	SPOTSYLVANIA	\$1,147	\$91	\$12
2003	STAFFORD	\$689	\$86	\$14
	FREDERICKSBURG	\$949	\$122	\$17
	SPOTSYLVANIA	\$1,017	\$89	\$13
2002	STAFFORD	\$623	\$80	\$14
	FREDERICKSBURG	\$783	\$116	\$14
	SPOTSYLVANIA	\$974	\$82	\$13
2001	STAFFORD	\$573	\$83	\$14
	FREDERICKSBURG	\$711	\$114	\$15
	SPOTSYLVANIA	\$922	\$83	\$13
2000	STAFFORD	\$525	\$83	\$15
	FREDERICKSBURG	\$625	\$103	\$12
	SPOTSYLVANIA	\$916	\$77	\$13



Where Do Our Visitors Come From?

	%
Virginia	37.82
Maryland	6.23
Pennsylvania	5.17
New York	4.51
California	4.47
Florida	3.45
New Jersey	3.00
North Carolina	2.94
Ohio	2.33
Texas	2.21

SPREADING THE WORD

To reach as many consumers as possible with the message about The Fredericksburg Area, the tourism Team will utilize a mix of tools. We know from the Longwoods Research that the tourism decision-maker is usually female, and we also know from which markets consumers are most likely to travel to the Fredericksburg Area. In addition to advertising in local and regional travel sections and publications, the next few years will see a significant upgrade to The Fredericksburg Area's website, as well as an increased public relations effort with travel writers, etc. Fredericksburg Area Tourism will also be working with numerous businesses in the Area to put together promotional packages that will be offered through media outlets in the target markets.

THE FUTURE

The partners in Fredericksburg Area Tourism (City of Fredericksburg; Spotsylvania County; Stafford County) have set a number of goals for the growth of the tourism industry in the Area. These goals include:

- **22% growth, by year-end 2006, in the Area's ROI** (Return On Investment) directly attributable to the regional marketing program. This growth in ROI will be measured through the Area's ongoing relationship with Longwoods International, utilizing the same methodology and approach that yielded the initial 2004 benchmark figures.
- **Increased demand for hotel/motel rooms** that results in 15% growth in ADR (Average Daily Rate) and a 2.5% increase in occupancy rate by 2007, as measured through Virginia Tourism Corporation's relationship with Smith Travel Research.
- **15% increase in annual hotel and meals tax** receipts across the Area through 2006.
- **Reverse the trend of declining attraction visitation** (22% overall decline since 1997) by developing 8% growth in attraction visitation by 2007.
- **5% annual growth in group tour visitation.**

Fredericksburg Area Tourism invites your comments about any and all topics in this Annual Report, as well as your participation in our efforts to grow the Area's tourism business.

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